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State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas and Mining

JOHN R. BAZA
Division Director

April 21, 2011

CERTIFIED RETURN RECEIPT
7009 3410 0001 4203 1645

Lon Thomas
Star Stone Quarries
4040 South 300 West
Salt Lake City, Utah 84107

Subject: Five-Year Review of Reclamation Surety, Star Stone Quarries, Inc., Heber Quarry, M/051/0001, Wasatch County, Utah

Dear Mr. Thomas:

The Division of Oil, Gas and Mining's last reclamation cost estimate for the Heber Quarry mine was completed in 2006 and escalated to 2011 dollars, so the reclamation surety amount is now due for review and adjustment. The Division may adjust the amount of reclamation surety as the result of a periodic review taking into account inflation/deflation based on an acceptable cost index (R647-4-113.6). The Division has used actual cost changes to bring the reclamation cost estimate to 2011 dollars, then a five-year average was used to escalate the surety amount to 2016 dollars.

The total amount now required is \$122,800.00, an increase of \$15,400.00 over the current amount of \$107,400.00. The increase may be submitted by providing a rider to the current surety bond, or by providing cash, a certificate of deposit, or a letter of credit either for the increased amount or the total.

The surety escalation spreadsheet is attached. Please provide the updated surety no later than June 21, 2011.

Thank you for your cooperation. Please call me at 801-538-5261 if you have questions about the attached spreadsheet showing the escalation rates, or contact Penny Berry at 801-538-5291 or by e mail at bondcoordinator@utah.gov for information about submitting the surety.

Sincerely,

Paul B. Baker
Mining Program Manager

PBB:lah:pb

Enclosure: Escalation Spreadsheet

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